HiTech PERSONNEL

Excellence in Recruitment & Consulting

HiTech Group Australia Limited

A.B.N. 41 062 067 878

Annual Report 30 June 2014

CONTENTS

ANNUAL GENERAL MEETING

The Annual General Meeting is to be held at Level 7, 9 Young Street, Sydney on Friday, 7 November, 2014 at 4pm.

The notice of meeting is enclosed together with a proxy form.

CORPORATE DIRECTORY

HiTech Group Australia Limited's ("the Company's") shares are quoted on the official list of the Australian Securities Exchange Limited.

The ASX code for the Company's ordinary fully paid shares is "HIT".

Directors

Ray Hazouri – C*hairman and chief executive officer*

Elias Hazouri – *Executive director*

George Shad – *Non-executive director*

Company Secretary

Tram Tran

Registered office and principal place of business

Level 7
9 Young Street
Sydney NSW 2000
Telephone: (02) 9241 1919
Facsimile: (02) 9241 1731
Internet: www.hitechaust.com
E-mail:info@hitechaust.com

Share registry

Computershare Investor Services Pty Ltd
Level 3,
60 Carrington Street,
Sydney NSW 2000
Telephone: (02) 8234 5000

Auditors

Raymond Yi Kuen Lee
Suite 272,
Level 2, The Miramar
398-408 Pitt Street
Sydney NSW 2000

Bankers

St George Bank Limited
4-16 Montgomery Street
Kogarah NSW 2217

CHAIRMAN'S REPORT TO SHAREHOLDERS 2014

Dear Shareholder,

It is with pleasure that the directors present this fifteenth annual report of HiTech Group Australia Limited and its controlled entities ('the consolidated entity") since the listing of the company on the Australian Securities Exchange ("ASX") on 17 April, 2000.

For the financial year ended 30 June 2014, the consolidated entity's operating **revenue is $8,036,795, an increase of 9.1% over the previous corresponding period (pcp)**. The permanent placement income was 45.3% lower and contracting revenue was 13.4% higher than the pcp.

Net loss after taxation (NLAT) is $150,658 (FY13 net profit: $164,504). **Gross Profit is $1,209,622, a decrease of 23.9% over pcp (FY13: $1,589,917)** due, mainly, to a decrease in permanent placement revenue and realised and unrealised losses from listed investments in the stock market. **Our Net tangible Assets (NTA) is $0.09 per share.**

The Australian job market, particularly the ICT sector, has recovered relatively well from the effects of the GFC. We have succeeded in retaining our valued clients and have worked diligently on increasing our contracting business, particularly the federal government ICT contracting business. We are working towards winning new business, diversifying and ensuring that operating costs are kept to a minimum.

We have retained our preferred supplier status with most of our valued clients and are working towards further developing these relationships. Throughout FY2014, we have been successful in being retained as preferred suppliers to additional government departments including the NSW state government. This will provide us with an opportunity to further diversify our revenue base and build on it.

We are constantly evolving and improving our systems and productivity to provide a better service to our clients and candidates.

HiTech remains a resilient and strong company with a strong balance sheet. We are committed to improving our revenues and profitability. Our major revenue is still generated from our core ICT recruitment business and we are active in non-ICT areas of recruitment. We have been active in securing clients all around Australia so that we can further develop our client base.

HiTech has a proven business model that has evolved over the past 21 years. I am confident that our commitment to growth and profitability will enhance value for all our shareholders in the future.

We will continue to be ready to take advantage of market opportunities and ensure that we are focused on increasing stakeholder returns.

The directors extend their appreciation to all our team members for their efforts during the year, shareholders, candidates and valued clients.

Yours sincerely,

Raymond Hazouri
Chairman and Chief Executive Officer
30 September 2014

CORPORATE GOVERNANCE STATEMENT

HiTech Group Australia Limited is committed to good corporate governance and disclosure. The Company has substantially adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations' (Second edition August 2007 with 2010 amendments) for the entire FY2014 financial year.

Where the ASX Corporate Governance Council's recommendations have not been adopted by the Company, this has been identified and explained below.

		Complied	Note
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	1
1.2	Disclose the process of evaluating the performance of senior executives.	Yes	2
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Yes	1-2
2.1	A majority of the Board should be independent directors.	No	3
2.2	The chairperson should be an independent director.	No	4
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	No	5
2.4	The Board should establish a nomination committee.	No	6
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual directors.	No	7
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes	3-7
3.1	Establish a code of conduct and disclose the code or a summary of the code as to:	Yes	8
	• The practice necessary to maintain confidence in the company's integrity;	Yes	
	• the practices necessary to take into account the company's legal obligations and the reasonable expectation of their stockholders;	Yes	
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	
3.2	Establish a policy diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	Yes	9
3.3	Disclose in each annual report the measurable objective for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No	9
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes	9
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes	9
4.1	The Board should establish an audit committee.	Yes	10

CORPORATE GOVERNANCE STATEMENT (continued)

4.2	Structure the audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair who is not chair of the Board; • has at least three members.	Yes No No Yes No	10
4.3	The audit committee should have a formal charter.	Yes	10
4.4	Provide the information indicated in the Guide to reporting on Principle 4	Yes	10
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	11
5.2	Provide the information indicated in Guide to reporting on Principle 5.	Yes	11
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	12
6.2	Provide the information in the Guide to reporting on Principle 6.	Yes	12
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	13
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	Yes	13
7.3	Disclose whether it has received assurance from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.	Yes	14
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Yes	13-14
8.1	Establish a remuneration committee	No	15
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members	 No No No	 15 15 15
8.3	Clearly distinguish the structure of Non-executive directors' remuneration from that of executive directors and senior executives.	Yes	16
8.4	Provide the information indicated in Guide to reporting on Principle 8.	Yes	16

CORPORATE GOVERNANCE STATEMENT (continued)

Notes

1. The directors of the Company are accountable to shareholders for the proper management of the business and affairs of the Company.

   The key responsibilities of the Board are:-

   - the oversight of the Company including its control and accountability systems;
   - establishing, monitoring and modifying corporate strategies, performance objectives, compliance with the Company's Code of conduct and progress in relation to the Company's diversity objectives and compliance with its diversity policy;
   - ensuring that appropriate risk management systems, internal compliance and control, reporting systems, codes of conduct, and legal compliance measures are in place;
   - monitoring the performance of management and implementation of strategy, and ensuring appropriate resources are available;
   - approving and monitoring of financial and other reporting;
   - approving dividends, major capital expenditure, acquisitions and capital raising/restructures;
   - the appointment and removal of Directors, Company Secretary and senior management; and
   - monitoring progress in relation to the Company's diversity objectives and compliance with its diversity policy.

   The Company has an informal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the consolidated entity concerning performance of directors. Directors also have the opportunity to visit consolidated entity facilities and meet with management to gain a better understanding of business operations.

   Senior executives, including the chief executive officer (CEO) and the Company Secretary, have a formal job description and letter of appointment describing their term of office, duties, rights and responsibilities. The CEO has responsibility for the operation and administration of the Company as delegated by the Board.

   The Company Secretary has responsibility for the company secretarial duties.

2. The Board reviews and approves proposed remuneration (including incentive awards, equity awards and service contracts). As part of this review, the Board oversees an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

3. While a majority of the board members, including the Chairman, are not independent directors, the Board believes that the people on the Board can and do make independent judgments in the best interests of the Company at all times. Of the three directors only one, Mr George Shad, is independent.

4. The chairperson is an executive director and a major shareholder and therefore is not an independent director. The Board believes that even though the chairperson is not an independent director the chairperson is able to make quality and independent judgements on all relevant issues falling within the scope of the role of a chairperson.

   The Company will work towards this principle; however at this time the Board believes it is not appropriate to meet this criterion.

5. The roles of Chairperson and Chief Executive Officer are currently exercised by the same individual which is believed to be appropriate given the size of the Company.

6. The Company does not have a nomination committee as the size of the Company and the Board does not warrant such a committee. All Board nomination matters are considered by the whole Board.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

The Board annually reviews the effectiveness of the functioning of the Board, individual directors, and senior executives.

7. While no performance evaluation of the Board or management was carried out during the reporting period, this is continually monitored by the Chairman and the Board. The Chairman also speaks to each director individually regarding their role as a director

8. The consolidated entity recognises the need for directors and employees to observe the highest standards of behaviour and business ethics. All directors and employees are required to act in accordance with the law and with the highest standard of propriety.

   The Company has adopted a code of conduct to guide compliance with legal and other obligations to stakeholders of the Company which may be accessed on the Company's website (http://www.hitechaust.com). This code provides guidance to directors and management on practices necessary to maintain confidence in the integrity of the Company.

   The Company has adopted 'Guidelines for buying and selling securities'. Directors and employees are permitted to trade in the Company's securities during a four week period from the date of the Company's Annual General Meeting, release of Quarterly Reports, Half Yearly and Annual Financial reports or release of a disclosure document offering securities in the Company.

   However, if a Director or employee of the Company is in possession of price-sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time.

9. The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly the Company has developed a diversity policy, a copy of which can be found on the Company website. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

   The Board has not yet established objectives in relation to gender diversity but is committed to a continuation of current employment practices where employees are selected on merit. The aim is to achieve greater gender diversity in director and senior executive positions as they become vacant and appropriately skilled candidates are available:

	Actual	
	Number	%
Number of women employees in the whole organisation		73%
Number of women in senior executive positions	-	-
Number of women on the Board	-	-

10. The Company has established an Audit Committee with an independent chairman Mr George Shad and one other member who is an executive director. A formal charter of the audit and risk management committee has been approved by the Board a copy of which can be viewed on the Company's website (http://www.hitechaust.com).

11. The Company has established procedures designed to ensure compliance with the ASX Listing Rules so that Company announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

CORPORATE GOVERNANCE STATEMENT (continued)

Established policies which can be viewed on the Company's website also ensure accountability at a senior management level for ASX compliance. The Board approves all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

12. The Company has a communications strategy and an established policy on stakeholder communication and continuous disclosure to promote effective communication with shareholders, subject to privacy laws and the need to act in the best interests of the Company by protecting commercial information.

    The Company's policy on communication with shareholders is set out in the Company's 'Policy on stakeholder communication and continuous disclosure' which can be viewed on the Company's website

13. The Board has established policies on risk oversight and management which can be viewed on the Company's website. To carry out this function the Board:

    - oversees the establishment, implementation, and annual review of the Company's risk management system, including assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity;
    - reviews the financial reporting process of the Company;
    - discusses with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the policies and procedures of the Company to assess, monitor and manage business risk;
    - reviews with the external auditor any audit problems and the Company's critical policies and practices; and
    - reviews and assesses the independence of the external auditor.

    Systems of internal financial control have been put in place by the management of the Company and are designed to provide reasonable protection against fraud and material misstatement. These controls are intended to identify, in a timely manner, control issues that require attention by the Board.

    The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

    Practices have been established to ensure:

    - capital expenditure and revenue commitments above a certain size obtain prior Board approval;
    - financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the financial statements;
    - occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
    - business transactions are properly authorised and executed;
    - the quality and integrity of personnel; and
    - financial reporting accuracy and compliance with the financial reporting regulatory framework.

14. The Board has received from management an assurance that internal risk management and the internal control system is effective; and assurance from the Managing Director that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control which is operating effectively in respect to financial reporting risks.

15. Due to the size of the Board, the Company does not have a remuneration committee. The functions normally carried out by such a committee are currently handled by the whole Board.

    The remuneration policy, which sets the terms and conditions for the Chairman and other senior executives has been approved by the Board.

CORPORATE GOVERNANCE STATEMENT (continued)

16. All executives receive fees and also may receive incentives in the form of shares or cash bonuses. The Board reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies

    Executives may be entitled to participate in shares issued under the employee share plan

    Options are issued to Directors and Company Executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to all Directors and executives of the Company to increase goal congruence among Directors, executives and shareholders

    The amount of remuneration of all directors and executives, including all monetary and non-monetary components, is detailed in the Director's Report. All remuneration paid and options issued to executives are valued at a cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

    The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the economic entity. It will also provide executives with the necessary incentives to work towards growing long-term shareholder value.

DIRECTORS' REPORT

The directors of HiTech Group Australia Limited present their report on the company and its controlled entities for the financial year ended 30 June 2014.

Directors

Information on directors

The following persons were Directors of HiTech Group Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Raymond Hazouri

Chairman and CEO.

Qualifications: BA (Sydney University), DipEd.

Experience: Founded HiTech in 1993 and has over 20 years' experience in the IT industry. Prior to establishing HiTech, Ray worked in a number of capacities in the information technology industry ranging from management positions, technical IT consulting roles including systems analysis/programming, project management and sales roles. Ray worked and consulted for a broad range of employers in the private, multinational, SME, and public sectors.

Interest in shares and options: 18,460,000 ordinary shares in HiTech Group Australia Limited.

Other current and former directorship in last three years: Nil

George Shad

Non-executive Director.

Qualifications: Solicitor

Experience: Appointed to the Board on 30 July 2003. Principal of Shad Partners Solicitors with thirty years' experience as a lawyer specialising in commercial and conveyancing work.

George is a panel solicitor for a number of major banks and his expertise and contacts in the corporate sector will assist HiTech in furthering its client base.

Special responsibilities: Chairman of the Audit and Risk Committee

Other current and former directorship in last three years: Nil

Elias Hazouri

Executive Director (appointed on 19 July 2013)

Qualifications: B Sc, MBA

Experience: Appointed to the Board on 30 July, 2003 as an alternate Director representing Ray Hazouri. Over 16 years' experience in IT and banking. Elias was previously a director of HiTech from 1993-March 2000. Elias's knowledge of HiTech's business is extensive.

Throughout his career, Elias has been integral to the development of many IT systems and IT support departments. He has held roles ranging from programmer to technology support head. Elias is a key resource and knowledge base to the HiTech account managers and is jointly responsible for generating new business.

Elias has advised on business strategy, both from a financial and operational perspective, since the inception of HiTech in 1993. Elias is employed in the capacity of General Manager/Chief Information Officer (GM/CIO).

Interest in shares and options: 26,202 ordinary shares in HiTech Group Australia Limited beneficially owned by him.

Other current and former directorship in last three years: Nil

Company Secretary

Tram Tran

Company Secretary (appointed 31 July 2013)

Qualifications: Bachelor of Business (Accounting), CPA

Experience: Since graduating from the University of Western Sydney, Tram has worked with a public accounting practice for nine years during which time she has completed her CPA and has carried out accounting work for a range of clients.

Directors' meetings

The following table sets out the number of directors' meetings (including meeting of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or a committee member). During the financial year 2 board meetings and 2 audit committee meetings were held.

	Board of Directors		Audit Committee	
	No eligible to Attend	Attended	No eligible to Attend	Attended
Mr R Hazouri (*by invitation)	2	2	1*	1*
Mr E Hazouri	2	2	1	1
Mr G Shad	2	2	1	1

Dividends

No dividends have been declared in the 2014 financial year (2013: 0.5 cents per ordinary share).

Earnings per share

	cents
Basic and diluted earnings per share (cents)	(0.49)

Corporate structure

HiTech Group Australia Limited is a listed public company, limited by shares, and is incorporated and domiciled in Australia. HiTech has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

Nature of operations and principal activities

The consolidated entity's principal activity during the financial year was the supply of recruitment services for permanent and contract staff to the ICT sector.

During the financial year, there were no significant changes in the nature of these operations.

Group overview

HiTech currently supplies permanent and contract staff from its large, personalised, database of over 190,000 specialised ICT, Finance and Office Support professionals which has been developed over the past 20 years.

The HiTech client base of over 445 clients is well established, with strong representation by technology companies, banking/financial services companies plus Federal Government departments and agencies. HiTech has also entered into preferred supplier agreements for the supply of staff in both the public and private sectors.

Investment activities

The Group maintains an investment portfolio comprised of traded shares in Australian listed entities.

Operating and financial review

Operating results

For the financial year ended 30 June, 2014, the consolidated entity's **operating revenue is $8,036,795, an increase of 9.1% over the previous corresponding period** (pcp). The high margin permanent placement income was 45.3% lower and contracting revenue was 13.4% higher.

Net loss after taxation (NLAT) is $150,658 (FY13 net profit: $164,504). **Gross Profit is $1,209,622, a decrease of 23.9% over pcp (FY13: $1,589,917)** due, mainly, to a decrease in permanent placement revenue and realised and unrealised losses from listed investments in the stock market.

Our Net tangible Assets (NTA) is $0.09 per share.

Permanent recruitment comprises the search and selection of candidates for full time employment and is characterised by relatively high profit margins. ICT contracting, comprising the provision of ICT professionals for temporary and other non-permanent staffing needs of clients for specific projects has continued to supply HiTech with cash flow.

HiTech's recruitment business is broadly based in this sector and operates across the full range of ICT services, including system development, infrastructure support and networking, operation and other skill sets. As the cycle turns, there is a growing need for skilled ICT professionals. HiTech is addressing the demand for specialised ICT skills by making use of its database and comprehensive contacts internationally.

HiTech has diversified into non-ICT areas of recruitment such as office support, sales, accounting, legal and healthcare. Whilst this diversification remains minor in comparison to ICT recruitment, it marks a start for all these other areas of business with a potential to grow further.

HiTech's reputation for top quality service and the selection of suitable candidates for client job requirements have resulted in HiTech establishing a small but successful niche market position. The recruitment sector has changed with more jobs and less candidates.

HiTech's market share of the total Australian recruitment market is relatively small. This represents a huge growth potential. HiTech is focused on servicing existing clients by providing a complete recruitment solution in addition to contracting.

As HiTech's core competency is in recruitment, our strategy is to build on our existing client base and maximize revenue from existing clients by effectively providing personnel to not only the ICT market but also to other markets such as administration and office support, sales and marketing, finance and legal. There is also a possibility of broadening the consolidated entity's operations into geographical markets in which HiTech operates.

We are working towards winning new business and ensuring that operating costs are kept to a minimum.

Future developments, prospects and business strategies

The directors foresee that the FY2015 growth will depend on the prevailing economic conditions at the time and the strength of the recovery as the global economy recovers. There are signs of growing business confidence coming into the market.

The most significant areas for change will be the continuation of an increase in job vacancies. Skilled professionals are becoming increasingly in short supply. This shortage will lengthen the time to fill vacancies. We cannot, at this point, forecast with any certainty the results of next year but feel it should be better.

The directors' main objective will be organic growth in the consolidated entity's core business and further enhancing existing client business.

Significant Changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

After balance date events

On 18 June 2014 the company entered into an unsecured short term loan arrangement amounting to $900,000 to director's related entity for investment purposes. Interest at the rate of 6.2% per annum is payable and the loan is repayable by 7 August 2014 which has been repaid already.

Environmental regulations

The consolidated entity's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying officers or auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure all of the directors of the company as named above, the company secretary and all executive officers of the company against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such by an officer or auditor.

Remuneration report - Audited

This report outlines the remuneration arrangements in place for directors and executives of HiTech Group Australia Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The names of directors in office at any time during or since the end of the year are:-

Mr Raymond Hazouri	
Mr George Shad	
Mr Elias Hazouri	Appointed 19 July 2013
Mr Sam Hazouri	Resigned 19 July 2013

Remuneration Policy

The Board determine the remuneration policy applicable to each executive key management person as and when required based on market rates and capacity to pay. Currently all executive key management personnel are contractors to the Company with the exception of the Managing Director Ray Hazouri, and all were appointed under arm's length agreements acceptable to both parties.

Key management personnel are entitled to participate in the employee share option benefits at the discretion of the Board.

Details of remuneration

Details of the remuneration of the Directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of HiTech Group Australia Limited are set out in the following table:-

Remuneration - Key management personnel of the Group 2014

2014	Short-term employee Benefits		Post-employment benefits	Long-term benefits	
Name	Cash salary and fees	Cash bonus	Superannuation	Long service leave	Total
Non-executive directors	$	$	$		$
G. Shad*	10,000	-	-	-	10,000
Sub-total non-executive directors	10,000	-	-	-	10,000
Executive directors					
R. Hazouri	320,085		25,464	-	345,549
E. Hazouri*	273,555	-	-	-	273,555
S. Hazouri	11,328	-	3,165	-	14,493
Total key management personnel compensation (group)	614,968	-	28,629	-	643,597

Remuneration - Key management personnel of the Group 2013

2013	Short-term employee Benefits		Post-employment benefits	Long-term benefits	
Name	Cash salary and fees	Cash bonus	Superannuation	Long service leave	Total
Non-executive directors	$	$	$		$
G. Shad*	10,000	-	-	-	10,000
Sub-total non-executive directors	10,000	-	-	-	10,000
Executive directors					
R. Hazouri	336,329		28,917	10,726	375,972
E. Hazouri*	259,496	-	-	-	259,496
S. Hazouri	219,233	-	17,671	-	236,904
Other key management personnel (group)					
B.F. Neal*	66,000	-	-	-	66,000
Total key management personnel compensation (group)	891,058	-	46,588	10,726	948,372

* Wholly paid to a related entity of the key management person

Group performance in relation to key management personnel compensation

The following table shows the performance of the Consolidated Group over the past six financial years:-

FY	Sales Revenue	NPAT/(NLAT)	Basic EPS	Diluted EPS	Net Equity	NTA per share	Dividends	Average Share Price
	$	$	Cents	Cents	$	cents	$	Cents
2009	5,640,848	(1,020,511)	(3.29)	(3.29)	1,734,560	5.58	-	3.99
2010	5,496,087	136,775	0.44	0.44	1,871,335	6.03	-	2.22
2011	8,748,895	648,404	2.09	2.09	2,519,739	8.12	-	4.02
2012	9,583,560	556,699	1.80	1.80	3,076,438	10.00	-	4.39
2013	7,309,770	164,504	0.53	0.53	3,242,189	10.45	-	4.50
2014	7,975,179	(150,658)	(0.49)	(0.49)	2,940,349	9.00	155,000	7.28

The outlook for FY2015 will depend on the prevailing state of the local and global economy. We cannot forecast exact results at this point but feel they should be better.

Employment contracts

The CEO, Mr Ray Hazouri, is employed under a contract whilst the GM/CIO, Mr Elias Hazouri, is retained as a contractor under a service contract. Under the terms of the present contracts, these executives may resign from their positions and thus terminate their contract by giving one year's written notice.

The company may terminate these employment agreements by providing twelve months written notice or by payment in lieu of the notice period based on the executives' fixed component of remuneration.

The Company Secretary, Ms Tram Tran is employed as a contractor and has no formal contract with the company.

Options Granted as Remuneration

During the reporting period no options over ordinary shares were issued to employees under the HiTech Employee Option Plan.

No shares were issued to key management personnel during the reporting year or since the end of the reporting year up the date of this report, as a result of the exercise of remuneration options.

END OF AUDITED REMUNERATION REPORT

Auditor Independence declaration

The lead auditor's independence declaration for the year ended 30 June, 2014, as required under section 307C of the Corporations Act 2001, has been received and is set out on page 15 of the financial report.

Non-audit services

The board of directors, in accordance with advice received from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditor imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the auditors for the year ended 30 June, 2014:

Taxation services	$ Nil

Proceedings on behalf of the Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 23 of the Corporations Act 2001.

Signed in accordance with a resolution of the board of directors.

Raymond Hazouri
Director
Sydney, 30 September 2014

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 20-41, are in accordance with the Corporations Act 2001, including:

   a) Complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date, and

2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Executive Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Raymond Hazouri
Director

Sydney, 30 September 2014

Auditor’s Independence Declaration

To The Directors of HiTech Group Australia Limited

In accordance with the requirements of section 307C of the *Corporation Act 2001*, as lead auditor for the audit of HiTech Group Australia Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and behalf, there have been:

a) no contraventions of the auditor independence requirements of the *Corporation Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of HiTech Group Australia Limited and the entities it controlled during the year.

Raymond Yi Kuen Lee
Registered Company Auditor

Sydney
30 September 2014

Office Address: Suite 272 Level 2, The Miramar,
398-408 Pitt Street Sydney NSW 2000
Postal Address: P O Box 20003, World Square 2002
Tel: 02-9281 9797 Fax: 02-9281 9985

INDEPENDENT AUDITOR'S REPORT
To the members of HiTech Group Australia Limited

We have audited the accompanying financial report of HiTech Group Australia Limited ("Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial statements, and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of HiTech Group Australia Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility
Our responsibility is to express a conclusion on the consolidated financial report based on our audit. We conducted our audit in accordance with Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters Relating to Electronic Publication of the Audited Financial Report

This audit report relates to the financial report of HiTech Group Australia Limited for the year ended 30 June 2014 included on the website of HiTech Group Australia Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on this integrity. This audit report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's opinion

In our opinion:

1. the financial report of HiTech Group Australia Limited is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion on the Remuneration Report

In our opinion the Remuneration Report of HiTech Group Australia Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Raymond Yi Kuen Lee
Registered Company Auditor

Sydney, 30 September 2014

Suite 272, 398-408 Pitt Street
Sydney NSW 2000

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2014

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Revenue from continuing operations			
Services revenue	**4(a)**	7,975,179	7,309,770
Cost of services		(6,765,557)	(5,719,853)
Gross Profit		**1,209,622**	**1,589,917**
Other revenue	**4(b)**	61,616	57,030
Marketing expenses		(41,405)	(36,130)
Occupancy expenses		(109,956)	(107,023)
Insurance and legal expenses		(16,552)	(43,257)
Administration expenses		(929,684)	(1,082,905)
Borrowing costs		(1,850)	-
Impairment of current financial assets		(80,153)	(3,821)
Realised loss on sale of current financial assets		(219,420)	-
Other expenses from ordinary activities		(60,821)	(61,240)
(Loss)/Profit before Income Tax		(188,603)	249,687
Income tax benefit/(expense)	**6**	37,945	(85,183)
(Loss)/Profit attributable to Members of the parent entity		(150,658)	164,504
Other comprehensive income		-	-
Total comprehensive(loss)/income for the year		**(150,658)**	**164,504**
Earnings/(loss) per Share:			
Basic and diluted earnings (cents per share)	**30**	(0.49)	0.53

Notes to financial statements are included on pages 23-42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
CURRENT ASSETS			
Cash and cash equivalents	**7**	632,716	2,757,958
Trade and other receivables	**8**	1,602,477	774,039
Financial assets at fair value through profit and loss	**9**	2,360,187	29,231
Other assets		11,333	4,731
TOTAL CURRENT ASSETS		4,606,713	3,565,959
NON-CURRENT ASSETS			
Plant and equipment	**10**	40,174	36,183
Deferred tax assets	**11**	184,304	90,424
Intangible assets	**12**	3,543	1,380
Other assets	**13**	24,062	24,062
TOTAL NON-CURRENT ASSETS		252,083	152,049
TOTAL ASSETS		4,858,796	3,718,008
CURRENT LIABILITIES			
Trade and other payables	**14**	930,992	420,675
Financial Liabilities	**15**	900,000	-
Short-term provisions	**15**	86,758	54,447
TOTAL CURRENT LIABILITIES		1,917,750	475,122
NON-CURRENT LIABILITIES			
Deferred tax liability	**16**	697	697
TOTAL NON-CURRENT LIABILITIES		697	697
TOTAL LIABILITIES		1,918,447	475,819
NET ASSETS		2,940,349	3,242,189
EQUITY			
Contributed equity	**18**	2,869,213	2,869,213
Reserves	**19**	307,060	303,242
(Accumulated Losses)/Retained earnings		(235,924)	69,734
TOTAL EQUITY		2,940,349	3,242,189

Notes to financial statements are included on pages 23-42

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2014

Consolidated Group

	Share Capital Ordinary $	Accumulated Losses $	Employee Equity-settled benefits Reserve $	Total $
Balance at 1/7/2012	2,869,213	(94,770)	301,995	3,076,438
Total comprehensive profit for the year	-	164,504	-	164,504
Employee share options – value of employee services	-	-	1,247	1,247
Balance at 30/6/2013	2,869,213	69,934	303,242	3,242,189
Balance at 1/7/2013	2,869,213	69,734	303,242	3,242,189
Total dividends paid for the year	-	(155,000)	-	(155,000)
Total comprehensive loss for the year	-	(150,658)	-	(150,658)
Employee share options – value of employee services	-	-	3,818	3,818
Balance at 30/6/2014	2,869,213	(235,924)	307,060	2,940,349

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June, 2014

	Note	Consolidated Group 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,819,195	8,758,064
Payments to suppliers and employees		(7,798,061)	(7,985,819)
Dividends received		15,500	240
Interest received		38,508	58,708
Interest paid		(1,850)	-
Income tax (paid)/received		(92,795)	52,240
Net cash (used)/provided by operating activities	**29**	(19,503)	884,433
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at fair value through profit and loss		(2,091,819)	(4,972)
Payment of property, plant and equipment		(13,920)	(1,433)
Net cash (used in) / provided by investing activities		(2,105,739)	(6,405)
Net (decrease)/increase in cash held		(2,125,242)	878,028
Cash at the beginning of the financial year		2,757,958	1,879,930
Cash at the end of the financial year	**7**	632,716	2,757,958

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of HiTech Group Australia Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report was authorised for issue on 30 September 2014 by the Board of Directors.

(i) Compliance with IFRS

The consolidated financial statements of the HiTech Group Australia Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, modified where applicable by the measurement at fair value of selected financial assets and financial liabilities.

(b) Financial report prepared on a going concern basis

The Directors believe that it is appropriate to prepare the financial report on a going concern basis because

a) The Group had $632,716 in cash at 30 June 2014;

b) The Group had $2,360,187 in financial assets at fair value at 30 June 2014

c) The Group has budgeted for sales in FY2015 at the same level of FY2014 with expected new contracting income from NSW Government contracts.

d) In the worst case scenario if income levels as budgeted are not achieved the Group has adequate cash and liquid current assets to meet this contingency for a period of up to 12 months from the date of this report.

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of HiTech Group Australia Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. HiTech Group Australia Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue for the rendering of contracting and consulting services is recognised upon delivery of the service to the client while permanent placement fees are brought to account at the time of placement rather than the day of commencement of work. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

All Australian revenue is stated net of the amount of goods and services tax (GST).

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 1(K).

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

HiTech Group Australia and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) and receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Financial assets – reclassification

The group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Investments and other financial assets (continued)

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Impairment testing of trade receivables is described in note 1(j) and (t).

(m) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a diminishing balance or straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	3-5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to the Non-current asset – Intangible Assets (Note 12). Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a diminishing balance basis at 40% per annum.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits plus annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Share-based payments

Share-based compensation benefits may be provided to directors, employees and company consultants (Note 31).

The fair value of shares or options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares/options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except, where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

(t) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The Group's financial assets at fair value through profit or loss are financial assets held for trading and are shares in listed entities which are recorded at fair value at balance date being the closing market bid price on that day. Impairment gains during the reporting period have been recorded as other income in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key judgements – impairment of receivables

The directors have reviewed outstanding debtors as at 30 June 2014 and have formed the opinion that all debtors outstanding are collectible and have therefore decided that a provision for impairment should not be made. The major portion of debtors outstanding at balance date was with Australian Government departments with little or no risk of default.

(v) Parent entity financial information

The financial information for the parent entity, HiTech Group Australia Limited, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below,

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of HiTech Group Australia Limited.

(w) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9*: Financial Instruments* (December 2010) and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of the change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may not have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012–10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) New Accounting Standards for Application in Future Periods (continued)

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

AASB 2011–4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2014).

This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.

AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement

This Standard is not expected to significantly impact the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) New Accounting Standards for Application in Future Periods (continued)

AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

  AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: FINANCIAL RISK MANAGEMENT

The Groups activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include analysing the effect of interest rate rises, and other price risks, aging analysis for credit risk and comparison of the investment portfolios against the ASX All Ordinaries Index to determine market risk.

Risk management is carried out by management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas including interest rate risk, credit risk, ,and investment of excess liquidity. The groups functional and presentation currency is the Australian dollars and the Group has no foreign exchange dealings and therefore does not use derivative financial instruments.

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2014	**2013**
	$	**$**
Financial Assets		
Cash	632,716	830,613
Deposits at call	-	1,927,345
Trade and other receivables	1,600,558	771,041
Financial assets at fair value through profit or loss	2,360,187	29,231
Total financial assets	4,593,461	3,558,230
Financial Liabilities		
Trade and other payables	930,992	420,675
Total financial liabilities	930,992	420,675

(a) Market risk

(I) Price risk

The Group is not exposed to any commodity price risk but is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss.

All of the Group's and the parent entity's equity investments are in companies listed on the ASX and are included in the ASX Ordinaries Index.

If the ASX Ordinaries Index increased/(decreased) by 12.70% over the financial year with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index, then the impact on post-tax profits would have been an increase/(decrease) of $1,200,543/($613,156).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(ii) Cash flow and fair value interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. Since all financial assets and liabilities of The Group are short term, exposure is not significant.

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers as outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group. The compliance with credit limits by customers is regularly monitored by line management. Sales to customers are required to be settled in cash, mitigating credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 30.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Consolidated Group 2014 $	2013 $
Trade receivables		
Counterparts with external credit rating (Moody’s)		
AAA Federal government departments and instrumentalities	695,261	581,474
Counterparts without external credit rating*		
Group 1	79,266	70,620
Group 2	826,231	117,449
Group 3	-	-
Total trade receivables	**1,600,758**	**786,019**
Cash at bank and short-term bank deposits		
AA2	632,716	2,757,958

* Group 1 — new customers (less than 6 months)
Group 2 — existing customers (more than 6 months) with no defaults in the past
Group 3 — existing customers (more than 6 months) with some defaults in the past. The default was not recovered.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial Liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- Ensuring that adequate capital raising activities are undertaken;
- maintaining a reputable credit profile; and
- investing surplus cash only with major financial institutions.

The Group has no long term financial liabilities and uses existing cash and funds generated from operations to balance cash flow requirements.

All financial liabilities are due to be settled in less than one year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

	Weighted average interest rate	Interest free	Floating	Fixed interest maturing 1 year or less	Fixed interest maturing 1 to 5 years	Total
2014						
Financial Assets						
Cash	6.09%	163	632,553	-	-	632,716
Deposits at call	n/a	-	-	-	-	-
Trade and other receivables	n/a	1,600,558	-	-	-	1,600,558
Financial assets at fair value through profit or loss	n/a	2,360,187	-	-	-	2,360,187
		3,960,908	632,553	-	-	4,593,461
Financial Liabilities						
Trade and other payables	0.21%	30,992	-	900,000	-	930,992
		30,992	-	900,000	-	930,992

	Weighted average interest rate	Interest free	Floating	Fixed interest maturing 1 year or less	Fixed interest maturing 1 to 5 years	Total
2013						
Financial Assets						
Cash	n/a	830,613	-	-	-	830,613
Deposits at call	2.95%	-	1,927,345	-	-	1,927,345
Trade and other receivables	n/a	771,041	-	-	-	771,041
Financial assets at fair value through profit or loss	n/a	29,231	-	-	-	29,231
		1,630,885	1,927,345	-	-	3,558,230
Financial Liabilities						
Trade and other payables	n/a	420,675	-	-	-	420,675
		420,675	-	-	-	420,675

(d) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

In all cases the carrying values of financial assets and liabilities are the same as the net fair values.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets at fair value through profit and loss:				
- Listed investments	2,360,187	-	-	2,360,187
Consolidated				
2013				
Financial assets				
Financial assets at fair value through profit and loss:				
- Listed investments	29,231	-	-	29,231

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

NOTE 3: SEGMENT INFORMATION

The Consolidated Group operates primarily in one geographical and in one business segment, namely the recruitment industry in Australia and reports to the Board on the performance of the Group as a whole.

NOTE 4: REVENUE

	Note	Consolidated Group 2014 $	 2013 $
Revenue from continuing operations			
(a) Services			
- Contracting and permanent placement revenue (i)		7,975,179	7,309,770
(b) Other revenue			
- Interest received – other entities		38,509	56,790
- Dividends – other entities		18,071	240
- Other		5,036	-
Total revenue		8,036,795	7,366,800

(i) Contracting revenue includes permanent placement fees, commission earned on contracting and contract services provided.

NOTE 5: EXPENSES

Cost of providing services	6,765,558	5,719,853
Impairment of trade receivables	-	14,978
Rental expense on operating leases		
- Minimum lease payments	92,467	87,726
Depreciation and amortisation of non-current assets		
- Plant and equipment	3,460	3,668
- Motor vehicles	6,469	8,625
- Software	828	790
Net transfers (from) provisions – employee benefits	32,311	15,196
Realised loss on disposal of financial assets at fair value through profit and loss	219,420	-
Impairment loss on financial assets at fair value through profit or loss	80,153	3,281

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: INCOME TAX

		Note	Consolidated Group 2014 $	2013 $
(a)	**Income tax expense**			
	Current tax		55,935	87,038
	Deferred tax		(93,880)	(1,855)
			(37,945)	85,183
	Deferred income tax expense included:			
	(Increase)/decrease in deferred tax asset	11	(25,192)	(1,855)
	(Increase)/decrease in deferred tax liability	16	-	(471)
			(25,192)	(2,326)
(b)	**Numerical reconciliation of income tax expense to prima facie tax payable**			
	Profit from continuing operations before income tax expense at 30% (2013:30%)		(56,581)	74,906
	Add tax effect of:			
	Imputation credits		2,571	176
	Other assessable income		-	547
	Non-deductible depreciation and amortisation and other non-allowable items		-	8,920
	Less tax effect of:			
	Non-assessable income & imputation credit		2,571	1,146
	Deductible expenses		6,556	1,343
	Movement in DTA/DTL for year		(25,192)	(1,855)
	Income tax (benefit)		(37,945)	85,183

NOTE 7: CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and in hand	577,584	830,613
Bank deposits at call	55,132	1,927,345
	632,716	2,757,958

The effective interest rate on bank deposits at call 2.5% (2013: 3%)

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	2014 $	2013 $
Cash and cash equivalents	632,716	2,757,958
	632,716	2,757,958

Interest rate exposure

The Group and the parent entitiy's exposure to interest rate risk is discussed in Note 2.

NOTE 8: CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Trade receivables	1,600,558	786,019
Provision for impairment of receivables	-	(14,978)
	1,600,758	771,041
Loans to key management personnel	-	-
Income tax refund owing	-	1,079
Other receivables	1,919	1,919
	1,602,477	774,039

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES (continued)

(b) Past due but not impaired

As at 30 June, 2014, trade receivables of $31,229 (2013: $109) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:-

30-60 days	3,842	109
61-90 days	27,387	-
	31,229	109

(c) Credit terms

Credit terms which apply to trad customers are payment within 30 days from date of invoice.

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.
The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for further information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

NOTE 9: CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

	2014 $	2013 $
Financial assets at fair value through profit and loss are all held for trading and include the following:-		
Australian listed equity securities	2,360,187	29,231

Changes in the fair value of financial assets at fair value through profit and loss are recorded in the income statement. Refer to expenses Note 5.

These financial assets have been classifed as financial assets at fair value through profit and loss as they have been acquired principally for the purpose of selling in the short term and are held for trading.

Information about the Group's exposure to credit and price risk is provided in Note 2.

NOTE 10: NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Consolidated Entity			
	Plant & Equipment	Leasehold Improvements	Motor vehicles	TOTAL
	$	$	$	$
As at 1 July 2013				
Cost or fair value	210,036	32,453	82,974	325,463
Accumulated depreciation	(202,539)	(32,453)	(54,288)	(289,280)
Net book value	7,497	-	28,686	36,183
Year ended 30 June 2014				
Opening net book balance	7,497	-	28,686	36,183
Additions	13,920	-	-	13,920
Depreciation charge	(3,460)	-	(6,469)	(9,929)
Net book balance	17,957	-	22,217	40,174
As at 30 June 2014				
Cost or fair value	223,956	32,453	82,974	339,383
Accumulated depreciation	(205,999)	(32,453)	(60,757)	(299,209)
Net book value	17,957	-	22,217	40,174

Plant and equipment has been tested for impairment at 30 June 2014 resulting in no impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	Note	Consolidated Group 2014 $	2013 $
The balance comprises temporary differences attributable to :			
Provisions		184,304	48,091
Plant & Equipment			
- tax allowance		-	11,059
Fair value gain adjustments		-	31,274
Total deferred tax assets		184,304	90,424

NOTE 12: NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Consolidated Group Intangibles at cost
At 1 July 2012	
Computer software at cost	1,083,797
Accumulated amortisation and impairment	(1,081,627)
Net book value	2,170
As at 30 June 2013	
Opening net book balance	2,170
Additions	-
Accumulated amortisation and impairment	(790)
Net book value	1,380
Year ended 30 June 2014	
Opening net book balance	1,380
Additions	2,991
Amortisation and impairment charge	(828)
Net book value	3,543
At 30 June 2014	
Computer software at cost	1,086,788
Accumulated amortisation and impairment	(1,083,245)
Net book value	3,543

NOTE 13: NON-CURRENT ASSETS – OTHER ASSETS

	Consolidated 2014 $	2013 $
- Security deposit for leased premises	24,062	24,062

NOTE 14: CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Unsecured liabilities	**2014**	**2013**
Trade payables	985,522	340,459
Sundry payables and accrued expenses	(54,530)	80,216
	930,992	420,675

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: FINANCIAL LIABILITIES

	Consolidated 2014 $	2013 $
Financial liabilities	900,000	-

On 18 June 2014 the company entered into an unsecured short term loan arrangement amounting to $900,000 for investment purposes. Interest at the rate of 6.2% per annum is payable and the loan is repayable by 7 August 2014. The interest was paid subsequent to year end.

NOTE 16: CURRENT LIABILITIES – SHORT-TERM PROVISIONS

	Consolidated 2014 $	2013 $
Employee benefits	86,758	54,447
Reconciliation of movement in the liability is recognized in the balance sheet as follows:-		
Prior year closing balance	54,447	69,643
Increase/(Decrease) in provision	32,311	(15,196)
Current year closing balance	86,758	54,447

NOTE 17: NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:	**2014**	**2013**
Plant & Equipment – tax allowance	287	287
Other	410	410
	697	697

NOTE 18: CONTRIBUTED EQUITY

31,000,000 fully paid ordinary share (2013: 31,000,000)	2,869,213	2,869,213

Ordinary shareholders participate in dividends and the proceeds of winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

No shares were issued during the financial year

Share Options

Information relating to Group's employee share option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 31.

Capital risk management

The Group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements and the Group's capital management strategy has not changed during the reporting period.

NOTE 19: RESERVES

The share option reserve records items recognised as expense on valuation of employee and director share options. Options issued during the year to non key management personnel have been valued using the Black-Scholes options pricing model (refer to Note 31).

Movements	**2014**	**2013**
Balance a at 1 July	303,242	301,995
Employee option expenses	3,818	1,247
Balance 30 June	307,060	303,242

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: DIVIDENDS

	2014	2013
Dividends paid	155,000	-
Franking credits available for subsequent financial years based on a tax rate of 30% (2013: 30%)	240,353	231,908

NOTE 21: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation:-	2014	2013
Short-term employee benefits	614,968	891,058
Post-employment benefits	28,629	48,704
	643,597	939,762

Details of key management personnel compensation are disclosed in the Remuneration Report on page 12.

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options can be found in the Remuneration Report on page 12.

(ii) Options holdings

2014	Balance 1.7.13	Granted as Remun-eration	Options Exercised	Options Cancelled/ lapsed	Balance 30.6.14	Total Vested and Exercisable 30.6.14	Total un-exercisable 30.6.14
Staff	400,000	-	-	-	400,000	-	400,000
	400,000	-	-	-	400,000	-	400,000

2013	Balance 1.7.12	Granted as Remun-eration	Options Exercised	Options Cancelled/ lapsed	Balance 30.6.13	Total Vested and Exercisable 30.6.13	Total un-exercisable 30.6.13
Staff	-	800,000	-	(400,000)	400,000	-	400,000
G Shad	500,000	-	-	(500,000)	-	-	-
	500,000	800,000	-	(900,000)	400,000	-	400,000

(iii) Shareholdings

2014	Balance 1.7.13	Received as Remuneration	Options Exercised	Balance 30.6.14
No of shares held by Key Management Personnel				
R. Hazouri	18,460,000	-	-	18,460,000
S. Hazouri	45,000	-	-	45,000
E. Hazouri	26,202	-	-	26,202
	18,531,202	-	-	18,531,202

2013 The shareholding of key management personnel in 2014 was unchanged from 2013.

No specified executives or non-executive directors hold shares in the Parent Entity.

(c) Loans to key management personnel

	Consolidated Group 2014 $	2013 $
Details of temporary loans made to directors and other key management personnel of the Group are set out below:-		
- Balance outstanding at reporting date (refer Note 8)	-	-

No interest was charged on loans due to their temporary nature and repayment terms

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity:-

Audit and review of the financial statements	8,380	22,200
Other services:		
- preparation of tax return and ad hoc advice	-	900
	8,380	23,100

NOTE 23: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets or contingent liabilities at balance date.

NOTE 24: COMMITMENTS

Non-cancellable operating leases

The office lease relates to the Group's Head Office and is a non-cancellable lease with rent payable monthly in advance. A three year lease was previously executed for the period 1 January 2013 expiring on 31 December 2015. No option exists to renew the lease beyond this date.

	Consolidated Group 2014 $	2013 $
Non-cancellable operating leases contracted but not capitalised in the financial statements		
Non-cancellable operating leases contracted but not capitalised in the financial statements		
- Payable not later than one year	100,671	92,466
- Longer than 1 year and not longer than 5 years	158,959	146,652
	259,631	239,118

NOTE 25: RELATED PARTY DISCLOSURES

(a) Subsidiaries

Interests in subsidiaries are set out in Note 26.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 21.

(c) Transactions with other related parties:

Superannuation contributions		
Contributions to superannuation funds on behalf of employees	241,894	91,386

On 18 June 2014 the company entered into an unsecured short term loan arrangement amounting to $900,000 to director's related entity for investment purposes. Interest at the rate of 6.2% per annum is payable and the loan is repayable by 7 August 2014 which has been repaid already.

NOTE 26: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b)

Name of entity	Country of Incorporation	Class of Shares	Equity holding** 2014	2013
Parent entity				
HiTech Group Australia Limited	Australia	Ordinary		
Controlled entities				
HiTech Contracting Pty Ltd*	Australia	Ordinary	100%	100%
eConsulting Australia Pty Ltd*	Australia	Ordinary	100%	100%

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission.

** The proportion of ownership interest is equal to the proportion of voting power held.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 27: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:-

	Parent Entity	
	2014 **$**	**2013** **$**
Statement of Financial Position		
Current assets	4,606,713	3,565,959
Total assets	4,858,796	3,718,008
Current liabilities	1,917,750	475,122
Total liabilities	1,918,447	475,819
Shareholders' equity		
Contributed equity	2,869,213	2,869,213
Option reserve	307,060	303,242
Retained losses	(235,924)	69,734
Total equity	2,940,349	3,242,189
(Loss)/Profit for the year	(150,658)	164,504
Total Comprehensive income	(150,658)	164,504

NOTE 28: SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 29: RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2014 **$**	**2013** **$**
Profit from ordinary activities after related income tax	(150,658)	164,504
Depreciation and amortisation of non-current assets	10,509	13,083
Net loss on sale of financial assets	219,420	-
Equity settled share based payments	3,817	1,247
Unrealized loss/(gain) on financial assets	80,153	3,821
Decrease / (Increase) in assets		
Current receivables	(828,438)	734,212
Other current assets	(6,602)	(4,731)
Deferred tax assets	(25,077)	(1,855)
Increase/(decrease) in liabilities		
Provisions	32,311	(15,196)
Trade payables	645,062	(10,181)
Deferred tax liability	-	(471)
Net cash from operating activities	(19,503)	884,433

NOTES TO THE FINANCIAL STATEMENTS

NOTE 30: EARNINGS PER SHARE

	Consolidated Group	
	2014 Cents per Share	2013 Cents per Share
Basic earnings per share	(0.49)	0.53
Diluted earnings per share	(0.49)	0.53

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:-

	Consolidated Group	
	2014 $	2013 $
Earnings (i)	(150,658)	164,504
	No	No.
Weighted average number of ordinary shares (ii)	31,000,000	31,000,000

(i) Earnings used in the calculation of basic earnings per share are net profit after tax as per the income statement.

(ii) The options outstanding are considered to be potential ordinary shares and therefore have not been included in the determination of basic earnings per share. Where dilutive, these potential ordinary shares are included in the determination of diluted earnings per share on the basis that each option will convert to one ordinary share (refer below).

Diluted earnings per share

(a) Earnings used in the calculation of diluted earnings per share reconciles to net profit in the income statement as follows:

	2014 $	2013 $
Net (loss)/ profit	(150,658)	164,504

(b) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2014 No	2013 No
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	31,000,000	31,000,000
Weighted average number of options outstanding	235,071	153,505
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	31,235,071	31,153,505

(c) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share

Options	164,929	246,495

NOTES TO THE FINANCIAL STATEMENTS

NOTE 31: SHARE-BASED PAYMENTS

Employee option plan

The Company has established an employee share option plan in respect of which share options may be issued to participating employees and executive directors. Options issued to directors are approved by shareholders at annual general meetings.

The directors consider that the option plan provides employees and directors invited to take part in the plan, with an opportunity and an incentive to participate in the company's future growth and success.

The allocation of options to an employee or directors under the option plan is based on his or her potential future contributions to the growth and profitability of the company. Options generally lapse on the employee's resignation or termination.

When the options are converted to shares they carry full dividend and voting rights.

The closing share price of an ordinary share of HiTech Group Australia Limited on the Australian Stock Exchange at 30 June 2014 was 6.0 cents.

	2014		2013	
	No	**Weighted Average Exercise Price**	**No**	**Weighted Average Exercise Price**
Balance at beginning of financial year (i)	400,000		500,000	$0.03
Granted during the financial year (ii)	-		800,000	
Exercised during the financial year	-		-	
Lapsed/cancelled during the financial year (iii)	-		(900,000)	
Outstanding at end of financial year (iv)	400,000		400,000	$0.03
Exercisable at end of financial year (iv)	400,000		400,000	$0.03

The options outstanding at 30 June, 2014 had a weighted average exercise price of $0.03 and a Weighted average remaining contractual life of 1 year. The exercise price in respect of options outstanding at 30 June, 2014 is $0.03

Fair value of options granted

The assessed fair value at grant date of options granted during the year was determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2014 included:

(a) Options are granted for no consideration and vest in 3 years
(b) Exercise price is 3 cents
(b) Grant date: 1 July 2012
(d) Expiry date: 30 June 2015
(e) Share price at grant date: 4 cents
(f) Expected price volatility: 60%
(g) Risk-free interest rate: 2.5%

(i) Balance at beginning of financial year

Option series	No.	Grant Date	Exercise Date	Expiry date	Exercise Price $
Issued 7/2012	400,000	1/7/2012	14/06/2015	30/06/2015	0.03
	400,000				

(ii) Issued during the financial year

No options were issued during the financial year.

(iii) Lapsed/cancelled during the financial year

No options lapsed during the reporting period.

(iv) Balance at end of the financial year

Option series	No.	Grant Date	Exercise Date	Expiry date	Exercise Price $
Issued 7/2012	400,000	1/7/2012	14/06/2015	30/06/2015	0.03

STOCK EXCHANGE INFORMATION

Statement of quoted securities as at 11 September 2014

DISTRIBUTION

- There are 333 shareholders holding a total of 31,000,000 ordinary fully paid shares on issue by the Company.
- The twenty largest shareholders between them hold 90.37% of the total issued shares on issue.
- Voting rights for ordinary shares are that on a show of hands each member present in person or by proxy or attorney or representative shall have one vote and upon a poll every member so present shall have one vote for every fully paid share held and for each partly paid share held shall have a fraction of a vote pro-rata to the amount paid up on each partly paid share relative to its issue price.
- There is one option holder holding a total of 400,000 unexpired and unquoted options on issue by the company. There are no voting rights attached to these options.

Distribution of quoted securities as at 11 September 2014

Ordinary fully paid shares

Range of holding		Number of holders
1 -	1,000	22
1,001 -	5,000	181
5,001 -	10,000	51
10,001 -	100,000	60
100,001 -	and over	19
Total holders		333

There are 311 shareholders holding less than a marketable parcel.

Substantial shareholdings as at 11 September 2014 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Rayhazouri Nominees Pty Limited and Raymond Hazouri	18,460,000 ordinary shares	59.55%
Wallbay Pty Ltd	2,006,533 ordinary shares	6.47%
S Hazouri	1,980,000 ordinary shares	6.39%

Directors' share and option holdings

As at 11 September 2014 directors of the Company held a relevant interest in the following shares and options issued by the Company.

Director	Shares	Options
R Hazouri	18,460,000	-
		-
G. Shad	-	-
E Hazouri	26,202	-

On-market buy-backs

There is no on-market buy back currently in place in relation to the securities of the company.

Material differences to Appendix 4E

There are no material differences to the financial statements set out in this report when compared to the information set out in the Company's Appendix 4E preliminary final statement released to the ASX on 28 August 2014.

Restricted securities

There are no restricted securities on issue by the Company.

STOCK EXCHANGE INFORMATION

TOP TWENTY SHAREHOLDERS

Rank	Shareholder name	Number of ordinary fully paid shares held	% of total ordinary shares on issue
1.	RAYHAZOURI NOMINEES PTY LIMITED	15,450,000	49.84%
2.	RAYMOND HAZOURI	3,010,000	9.71%
3.	WALLBAY PTY LTD <ABELL UNIT ACCOUNT>	2,006,533	6.47%
4.	SALEM HAZOURI	1,980,000	6.39%
5.	MR JOHN RICHARD SNELL	1,000,900	3.23%
6.	CLAPSY PTY LTD (BARON SUPER FUND A/C)	919,492	2.97%
7.	DORRAN PTY LTD	553,000	1.78%
8.	OUTREACH MOBILITY PTY LTD	464,167	1.50%
9.	DEVELOPMENT CAPITAL CORPORATION PTY LTD	392,000	1.26%
10.	MR MILTON YANNIS	329,820	1.06%
11.	MRS THERESE GUY + MR DAVID GUY <THERESE SUPER FUND A/C>	320,000	1.03%
12.	ELVEST PTY LIMITED <ELVEST UNIT A/C>	259,000	0.84%
13.	MR DAVID SCICLUNA + MR ANTHONY SCICLUNA	220,000	0.71%
14.	MR CHARBEL EL HAZOURI <CJ EL HAZOURI SUPERFUNDA/C>	214,285	0.69%
15.	BARREL INVESTMENTS LIMITED	200,000	0.65%
16.	MRS THERESE GUY + MR DAVID GUY <THERESE GUY SUPER FUND A/C>	180,000	0.58%
17.	ALFRED KAAN & SIMONE KAAN	154,262	0.50%
18.	UNITED CONSTRUCTONS PTY LTD	142,000	0.46%
19.	CUSTODIAL SERVICES LIMITED	120,000	0.39%
20.	AIRFARES FLIGHTS PTY LTD	100,000	0.32%
TOTAL SHAREHOLDING TOP 20		**28,015,459**	**90.37%**